

Message Text

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ACTION XMB-04

INFO OCT-01 ARA-14 ISO-00 EB-08 L-03 /030 W
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P R 201815Z JAN 78
FM AMCONSUL RIO DE JANEIRO
TO SECSTATE WASHDC PRIORITY 5754
INFO AMEMBASSY BRASILIA

UNCLAS RIO DE JANEIRO 0319

PASS TO PETER VATTER EXIMABNK

E. O. 11652: N/A
TAGS: BGEN, EFIN, BR
SUBJ: BANKRUPTCY OF EXIM BANK BORROWER

REF.: VATTER/JONES TELCONS, NOV., 1977

1. EXIM ATTORNEYS STELIO BASTOS BELCHIOR AND AYLSIO ALVES DE SOUZA CALLED ON CONGEN ECON/COML OFFICER ALONG WITH EDMIR GOMES, PRESIDENT OF SOCIEADE CONSTRUTORA TRIANGULO S.A. (SCT), BANKRUPT FIRM WITH LOAN GUARANTEED BY EXIM. PURPOSE OF VISIT WAS TO EXPLAIN LATEST AGREEMENT AMONGST SCT'S CREDITORS. ACCORDING TO BELCHIOR, ALL CREDITORS HAVE AGREED TO SETTLE FOR APPROXIMATELY 5 PERCENT OF THE AMOUNTS DUE THEM. BELCHIOR EXPLAINED THAT, BECAUSE EXIM'S LOAN WAS UNSECURED AND BECAUSE, UNDER BRAZILIAN LAW, SOME OF THE OTHER CREDITORS (E.G. THE BRAZILIAN SOCIAL SECURITY SYSTEM, INPS) HAVE FIRST CLAIM TO ANY REAL PROPERTY, EXIM'S POSITION WAS WEAK. MOREOVER, AS DISCUSSED IN REFTELCONS, INPS AND OTHER CLAIMS TO REAL ESTATE HAD CAUSED BANCO BRADESCO TO WITHDRAW ITS EARLIER TENTATIVE OFFER TO EXIM.

2. WITH THIS BACKGROUND THE ATTORNEYS STATED THAT THE OTHER CREDITORS HAVE AGREED TO A SETTLEMENT. EXIM IS THE ONLY CREDITOR NOT PARTY TO THE AGREEMENT AT THIS POINT. AND,
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ACCORDING TO BELCHIOR, EXIM'S AGREEMENT IS NOT REPEAT NOT REQUIRED (I.E., EXIM CANNOT HOLD UP OVERALL AGREEMENT). UNDER THIS AGREEMENT EXIM WOULD BE ALLOWED TO ASSUME CONTROL OF FIVE PIECES OF ALLIS-CHALMERS' EQUIPMENT AS ITS PART OF THE SETTLEMENT. BELCHIOR SAID THAT THE ORIGINAL LANDED COST OF THE EQUIPMENT WAS DOLS. 932,489, AND THEY HAVE ROUGHLY ESTIMATED CURRENT MARKET VALUE OF EQUIPMENT TO BE DOLS. 559,494 (THIS

BASED ON 4,000 HOURS USE OUT OF AN ESTIMATED USEFUL LIFE OF THE MACHINERY OF 10,000 HOURS). THIS ESTIMATED VALUE IS NOT REPEAT NOT BASED ON AN ACTUAL INSPECTION OF THE EQUIPMENT. THUS, AN INSPECTION WOULD BE NECESSARY TO DETERMINE ACTUAL MARKET VALUE OF THE MACHINES.

3. ATTORNEYS STRESSED NEED FOR SPEEDY EXIM BANK DECISION.
SUGGEST EXIM CONTACT BELCHIOR OR AYLSIO ALVES DE SOUZA ASAP.
CONGEN WILL OF COURSE CONTINUE TO ACT AS CONDUIT FOR INFORMATION IF EXIM DESIRES.
DEXTER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
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Concepts: BANKS
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Draft Date: 20 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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From: RIO DE JANEIRO
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ISecure: 1
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Review Release Date: n/a
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Review Withdrawn Fields: n/a
SAS ID: 3740349
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TAGS: BGEN, EFIN, BR
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